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September 21, 2009

Jennifer J. Johnson, Secretary
Board of Governors of the
Federal Reserve System
20th Street & Constitution Avenue, NW
Washington, DC 20551
Attention: Docket No. R-1364

Re: Interim Final Rule Amending Regulation Z to Implement Provisions of the Credit Card Accountability Responsibility and Disclosure Act of 2009

Dear Ms. Johnson:

The Independent Community Bankers of America (ICBA)¹ appreciates the opportunity to comment on the interim final rule amending Regulation Z to implement provisions of the Credit Card Accountability Responsibility and Disclosure Act of 2009 (Credit Card Act). We understand that the Federal Reserve intends to implement provisions of the Credit Card Act in stages, consistent with the statutory timeline established by Congress. Accordingly, this interim final rule implement provisions of the statute that are effective August 20, 2009, which primarily address change-in-terms notice requirements and the amount of time that consumers have to make their payments. ICBA has some concerns

¹The Independent Community Bankers of America represents nearly 5,000 community banks of all sizes and charter types throughout the United States and is dedicated exclusively to representing the interests of the community banking industry and the communities and customers we serve. ICBA aggregates the power of its members to provide a voice for community banking interests in Washington, resources to enhance community bank education and marketability, and profitability options to help community banks compete in an ever-changing marketplace.

With nearly 5,000 members, representing more than 20,000 locations nationwide and employing nearly 300,000 Americans, ICBA members hold \$1 trillion in assets, \$800 billion in deposits, and \$700 billion in loans to consumers, small businesses and the agricultural community. For more information, visit ICBA's website at www.icba.org.

with these provisions, and urges the Federal Reserve to consider our comments when drafting the next rulemakings required by the Credit Card Act.

Specifically of concern are the periodic statement requirements for all open-end lines of credit. The Credit Card Act amends the Truth in Lending Act (TILA) to require creditors to adopt reasonable procedures designed to ensure that periodic statements are mailed or delivered at least 21 days before the payment due date. This provision applies to credit card accounts as well as other open-end consumer credit plans. Community banks have worked diligently to make any necessary adjustments to their systems to comply with this requirement for both credit card and other open-end lines of credit. For those banks that needed to make changes, the process has been challenging due to the early August 20th effective date and the fact that community banks do not have the compliance resources and staff that larger financial institutions have.

Despite successful efforts at compliance with the Credit Card Act provisions, ICBA is concerned about the scope of this particular requirement. Because the purpose of the Credit CARD Act is to eliminate unfair and predatory credit card practices and provide greater transparency in the credit card industry, we are concerned as to why this requirement is being imposed on all open-end lines of credit, including home equity lines of credit, where this lack of transparency has not been problematic. ICBA therefore urges the Federal Reserve to use its exemption authority under Section 105 of TILA to limit the scope of this requirement to open-end credit card accounts, which will ease the compliance burden on community banks and be more consistent with the intent of the Credit Card Act. Any additional requirements for non-credit card open-end lines of credit, such as home equity lines of credit, should be considered in the Federal Reserve's comprehensive review of these products and after consumer testing is conducted.

ICBA thanks you for the opportunity to comment. We look forward to reviewing the Federal Reserve's proposed rule to administer the Credit Card Act provisions effective in February, 2010. If you have any questions about our letter or need additional information, please do not hesitate to contact me at 202-659-8111 or by email at Elizabeth.Eurgubian@icba.org.

Sincerely,

/s/

Elizabeth A. Eurgubian
Regulatory Counsel